

REGULAR MEETING - CITY COUNCIL - CITY OF NEWTON

DECEMBER 8, 2004

The City Council of the City of Newton held a regular meeting at 7:00 PM on Wednesday, December 8, 2004 at City Hall with the following present: Mayor Robert Mullinax, Council Members Wayne Dellinger, Tom Dixon, Tom Rowe, Anne Stedman, Roy Johnson, City Manager Edward Burchins, City Attorney Larry Pitts, Assistant City Manager Glenn Pattishall and City Clerk Rita Williams. Council Member Al Gaither was absent from the meeting.

ITEM 1 - CALL TO ORDER.

Mayor Mullinax called the meeting to order and welcomed citizens in the audience.

ITEM 2 - OPENING.

Council Member Dellinger led the Pledge of Allegiance.

ITEM 3 - APPROVAL OF MINUTES OF THE NOVEMBER 17, 2004 PUBLIC FORUM AND NOVEMBER 17, 2004 REGULAR MEETING.

A motion was made by Council Member Johnson, seconded by Mayor Pro Tem Rowe, and unanimously adopted that the minutes of the November 17, 2004 public forum and November 17, 2004 regular meeting be approved as submitted:

ITEM 4 - CONSIDERATION OF APPROVAL OF CONSENT AGENDA ITEM.

A motion was made by Council Member Dixon, seconded by Council Member Johnson, and unanimously adopted to approve the following item on the Consent Agenda:

A. Consideration of adoption of 2005 regular meeting schedule. (adopted)

NEWTON CITY COUNCIL  
2005 MEETING SCHEDULE

January 4, 2005	January 19, 2005
February 1, 2005	February 16, 2005
March 1, 2005	March 16, 2005
April 5, 2005	April 20, 2005
May 3, 2005	May 18, 2005
June 7, 2005	June 22, 2005
July 13, 2005	August 2, 2005
August 17, 2005	September 6, 2005
September 21, 2005	October 4, 2005
October 19, 2005	November 2, 2005
November 16, 2005	December 14, 2005

ITEM 5 - PRESENTATION OF 2003-2004 COMPREHENSIVE ANNUAL FINANCIAL REPORT - MR. PHIL CHURCH OF LOWDERMILK, CHURCH AND COMPANY.

City Manager Burchins introduced Mr. Phil Church of Lowdermilk, Church and Company and his associate Mrs. Carol Avery, who worked directly with the City staff on preparation of the 2003-04 Comprehensive Annual Financial Report.

Mr. Church reviewed the report and stated the City received a clean unqualified opinion on the report and said that the Local Government Commission has approved it. Mrs. Avery reviewed the financial highlights of the report.

Mayor Mullinax asked the staff to explain the losses in the water and wastewater fund. Mr. Burchins explain that water usage is down due to the fact that several industries which were Newton's water customers have closed. Also, Newton

had been selling water to the Towns of Maiden and Catawba but both now buy water from Hickory. He said the City's plan to sell water to Energy United Corporation and the Town of Taylorsville will increase Newton's water sales in the future.

Mr. Church stated that the City included the proposed use of \$978,000 from fund balance in the budget but only used \$174,000. He contributed this to excellent management of funds by the City. Mr. Burchins stated that the City has seen a severe erosion in sales tax revenue and thanked the City Council and Department heads for controlling their expenditures so well.

Council Member Dixon questioned the loss of revenue in the Electric Department budget. Finance Director Baker reported that the City had incurred debt for purchasing two generators for Harvest States Company and they failed to locate in Newton.

Mayor Mullinax thanked the City Manager, the Council and the staff for their management of the budget and he said the report reflected their hard work.

- A. Reappropriate fund balance/retained earnings to provide funding for purchase orders that were outstanding at June 30, 2004.

Finance Director Baker reviewed outstanding purchase orders as of June 30, 2004, which were explained in the agenda packet, and stated the Council needed to re-encumber these purchase orders to comply with state laws.

A motion was made by Council Member Johnson, seconded by Council Member Stedman, and unanimously adopted to approve the following budget ordinance to provide funding for the purchase orders:

ORDINANCE #2004.39 ATTACHED

ITEM 6 - PRESENTATION OF CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING TO FINANCE DIRECTOR JAMES A. BAKER.

Mayor Mullinax presented Finance Director James A. Baker, on behalf of the Finance Department, a Certificate of Achievement for Excellence in Financial reporting. He said this award is the highest form of recognition in governmental accounting and its attainment represents a significant accomplishment by the City of Newton and its staff. This is the 19th consecutive year that the City has earned this award. Mayor Mullinax commended Mr. Baker on receipt of this award.

ITEM 7 - PRESENTATION OF AWARD OF FINANCIAL REPORTING ACHIEVEMENT TO CAROL AVERY OF LOWDERMILK, CHURCH AND COMPANY.

Mayor Mullinax presented Carol Avery, CPA of Lowdermilk, Church and Company and External Auditor for the City of Newton, an Award of Financial Reporting Achievement for assisting the City for redesigning and presenting the financial report in a completely new manner due to the Government Accounting Standing Board Pronouncement #34 or "GASBY". Mrs. Avery's expertise in this area is a major contributing factor in the City receiving such a prestigious award and he expressed the City's appreciation to her for this accomplishment.

ITEM 7 - OLD BUSINESS:

- A. Discussion of cemetery issues:

- A.1 rules and regulations
- A.2 name of new cemetery
- A.3 markers/monuments
- A.4 entrance/signage for new cemetery

City Manager Burchins reported that the City has tried to build a new cemetery that is aesthetically pleasing and affordable for the community. He said there are still some issues which need to be finalized: the entrance to the cemetery, cost of lots based on expenses incurred, rules and regulations, name of cemetery, markers/monuments and drainage matters with DOT. He said the cemetery has mixed well with the neighborhood and adjacent properties and the cemetery has been built for flexibility. He said areas have been set aside for mausoleums, columbariums, wide roads have been built, wide sidewalks have been put down, there is a good connection to Highway #321 and lanes have been widened at the entrance. He said the staff wants to start selling lots as soon as possible.

Assistant City Manager Pattishall stated that the City staff has developed a set of rules and procedures for use of the new cemetery. He said many of them are already being used at the present cemeteries but some have not been formally adopted by the Council, others are included in the City Code. Mr. Pattishall reviewed the proposed rules and regulations for operation of the cemeteries and several suggested changes were made by the Council.

Mr. Pattishall also said the City staff met with a cemetery consultant this week regarding issues which need to be addressed by the Council. He said the cemetery consultant recommended two cremains be allowed in one cemetery lot and that double depth burials be allowed provided the purchaser pay 1/2 the cost of the lot for the second burial.

Mr. Pattishall reviewed the pros and cons of above ground monuments vs. the use of flat markers. He said the staff has recommended a mixture of both be allowed to meet everyone's needs. He reviewed a drawing which blended upright and flat markers in a pattern of alternating rows to make a uniform appearance and also to help with maintenance. City Attorney Pitts stated that if this concept is allowed, that people buying lots in the upright row could still put flat markers there but upright markers could not be placed in the rows designated for flat markers.

Mr. Pattishall stated the staff's recommendation for cemeteries included the City having the right of first refusal if someone wants to sell their lots. If approved, it was recommended that the City purchase the lots at the cost for which they were originally purchased from the City. He further reviewed recommended wording which was prepared by City Attorney Pitts for the transfer of lots.

Mr. Pattishall stated the Consultant recommended a tier charge for lots with lots adjacent to a sidewalk, statute, flag, garden, etc. being of higher value. The Consultant suggested lots be sold for \$1,600 for proximity lots, \$1,400 for tree proximity lots and \$1,200 for the remainder plus a long-term maintenance fee being charged. The Consultant stated they charged 53 cents per square inch of monument size but the staff is recommending 30 cents per square inch and a minimum charge of \$260.00 for flat markers.

The Council discussed costs for lots. Council Member Dellinger stated that he thought it would be more work for the staff if different lot prices and long-term maintenance fees were charged.

After discussion of the drawings of entrances for the cemetery, a motion was made by Council Member Dixon, seconded by Mayor Pro Tem Rowe, and unanimously adopted that the second entrance drawing shown on page 27 of the agenda be approved and that the cemetery be named Southside Cemetery.

#### B. Consideration of bids received for Energy United waterline project.

Public Works and Utilities Director Marty Wilson reviewed the bids received for Project 19.0 - construction of Phase I of the Energy United waterline project. The low bid was submitted by Hickory Sand Company in the amount of \$2,285,442.

Mr. Charlie Willis of Willis Engineers reported that there was less than 5% difference in the bids and that the contractors worked hard to submit competitive bids. He recommended the bid of Hickory Sand Company be accepted. The staff recommended that the contract with Energy United and the Town of Taylorsville be amended to allow Energy United to pay invoices on Phase I as the project progressed rather than at the completion of the project.

A motion was made by Council Member Johnson, seconded by Council Member Stedman, and unanimously adopted that the low bid of Hickory Sand Company be accepted for Phase I of the Energy United waterline project.

A motion was made by Mayor Pro Tem Rowe, seconded by Council Member Dixon, and unanimously adopted to approve the amendment to the contract with Energy United and the Town of Taylorsville to allow them to make payments on the Phase I waterline project as it progresses.

City Manager Burchins reported that the Council needed to have a work session on Phase II of the waterline project and he recommended a work session be held at 6:00 PM on January 4, 2005.

ITEM 8 - NEW BUSINESS:

A. Consideration of Air Quality Action Plan.

Assistant City Manager Pattishall reviewed the draft Air Quality Action Plan and stated that it is a model plan that has been adapted through consultation with City of Newton staff and representatives of the Western Piedmont Council of Government and the North Carolina Division of Air Quality. The purpose of the plan is to provide a commitment to a number of citywide measures and specific departmental strategies that will lessen vehicle and equipment use on high ozone days as well as practices that will improve air quality for the City and ultimately the region which is currently under a nonattainment designation for ozone.

Mr. Pattishall stated that in December, 2002, the City of Newton joined the Unifour Air Quality Committee's Early Action Compact. In March, 2004, the City adopted ozone control measures by resolution which outlined 14 steps that the participating members of the EAC will take to improve air quality for our region. One of the things which the City has committed to as part of this process is to adopt an Air Quality Action Plan to demonstrate good faith commitment to implementation of the control measures. It is City specific and does not apply to the private sector. However, with the City adopting its own Air Quality Action Plan and implementing it, it can provide a great example to the private sector on how to go about reducing emissions and improving air quality.

Mr. Pattishall said that a vast majority of the measures which are in this Plan are already being implemented by the City of Newton's departments. Specifically, it is a way to (a) conserve energy, (b) operate in a more efficient manner in terms of personnel and equipment, (c) to avoid hot weather and (d) to properly operate machinery and equipment at appropriate levels at appropriate times. Implementation of this Plan will not require a significant amount of effort beyond which is already in place. He recommended that the City Council approve the Air Quality Awareness Program Action Plan.

A motion was made by Council Member Johnson, seconded by Mayor Pro Tem Rowe, and unanimously adopted to approve the Air Quality Action Plan as recommended.

Council Member Johnson stated that EPA will make their determination on PM 2.5 non-attainment areas next week.

ITEM 9 - CITY MANAGER'S REPORT.

A. Consideration of January 27, 28, 2005 as date for Annual Planning Work Shop.

City Manager Burchins stated that January 27-28 have been tentatively locked in as the dates for the Council's Annual Planning Work Shop and he requested the Council check their schedules and also submit a list of topics they would like to have the Council discuss and/or consider at the Work Shop.

Mayor Mullinax stated that those dates are a Thursday and Friday and suggested that the Work Shop be held all day on Thursday and a half day on Friday and possibly be held at the Depot. He said Mr. Burchins would be leading the discussion on issues the Council would like to discuss.

ITEM 10 - QUESTIONS FROM MAYOR AND COUNCIL.

Mayor Mullinax thanked Ron Webb and members of the Festival and Events Committee for their hard work and effort in making the "Light Up the Town" event so successful and entertaining this year.

ITEM 11 - CLOSED SESSION ON LOCATION/EXPANSION OF BUSINESS OR INDUSTRY - G.S. 143-318.11(a)(4). (Cancelled)

There being no further business, the meeting was recessed until 6:00 PM on January 4, 2005.

Respectfully submitted,

Robert A. Mullinax, Mayor

Rita K. Williams, City Clerk